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A

John, a 28-year-old free-lance television producer, first entered a treatment program for his heroin and prescription-drug habit in 1985.

He entered another program in January 1987. A month later — facing financial ruin, considering suicide and following an arrest for prescription fraud — he signed into yet another drug-treatment facility.

Now in the Psychiatric Institute of Washington, John said he is no longer using heroin, but is periodically haunted by a craving to get high.

"I have dreams about using," he said. "I don't think I'll ever get past the point where I don't have drug urges."

Drug counselors say such urges are common and underscore a growing perception of drug abuse as a lifelong disease rather than a temporary medical problem.

A new approach to drug treatment is needed as drug use rapidly increases throughout the Washington area, bringing many people who never before had drug problems into

BACK Drug Treatment

Council calls Barry budget for drug war inadequate. Page B4.

overcrowded drug-treatment programs.

The programs are so overcrowded that abusers are being told to wait a few days or weeks for admission — prompting them to keep using drugs, to commit crimes to fund their habits, and to give up on hopes for treatment.

The Washington suburbs' drug abuse problem with cocaine and PCP was second nationwide only to the Los Angeles suburban area, according to a study released last week by the Greater Washington Research Center.

Peter Reuter, the chief author of the study, said local governments have to start spending more money on drug treatment as well as en-

that to reduce the drug-abuse problem here, more room must be created in treatment programs so that abusers can get off drugs as soon as they seek help.

Counselors admit drug-abuse treatment programs have become revolving doors for thousands of drugs abusers, but say drug abuse must be attacked much like alcoholism: viewing recovery as a change of lifestyle, not a quick medical cure.

"The idea behind the disease concept is that it [drug abuse] is chronic, it's progressive, it's potentially fatal," said Arthur Melvin, program coordinator for substance abuse services at Seton House, on the grounds of Providence Hospital in Northeast Washington. "It doesn't go away."

The relapse rate among recovered abusers proves Mr. Melvin's point.

John Jackson, head of ADASA in the District, said he expects that about half of the 6,000 people who

see CLINICS, page B4

troops coming out in months.

Although the two deadlocked on the coalition, government Minister Abdul men "nothing imp

Thais

SPECIAL TO THE WASH

BANGKOK, The than 500 Vietnamese stranded on a steamer Thai-Cambodian border Thai army troops w mit the boat people

Western diplomat area last Friday wer visit the island of Ko out to sea on the border, although scheduled to.

Two Western jc made the trip in a di

Intelligence officers face pro-Toshiba heat

By Willis Witter
THE WASHINGTON TIMES

Senior Pentagon officials and career intelligence officers in the CIA and Defense Intelligence Agency are locked in a bitter feud over allegations that Toshiba Corp. illegally sold machines to manufacture computer parts to East Germany and Czechoslovakia during the past decade.

The latest allegations come just six months after the Japanese electronics giant admitted a subsidiary had sold the Soviet Union machine tools to make quiet submarine propellers, thereby rendering a portion of U.S. anti-submarine defenses obsolete.

The computer-parts machinery sales were detailed in two top-secret intelligence reports, one by DIA and another by CIA.

The reports conclude:

- Toshiba sold Czechoslovakia a complete factory in 1979 to manufacture computer chips in a deal that was of questionable legality.

- Toshiba sold East Germany a similar, but more advanced, computer-chip assembly line in 1986 — a sale that was illegal under Western export laws.

- Toshiba's top officers secretly negotiated to sell East Germany a second computer-chip assembly line in 1987 but broke off the negotiations.

see TOSHIBA, page A11

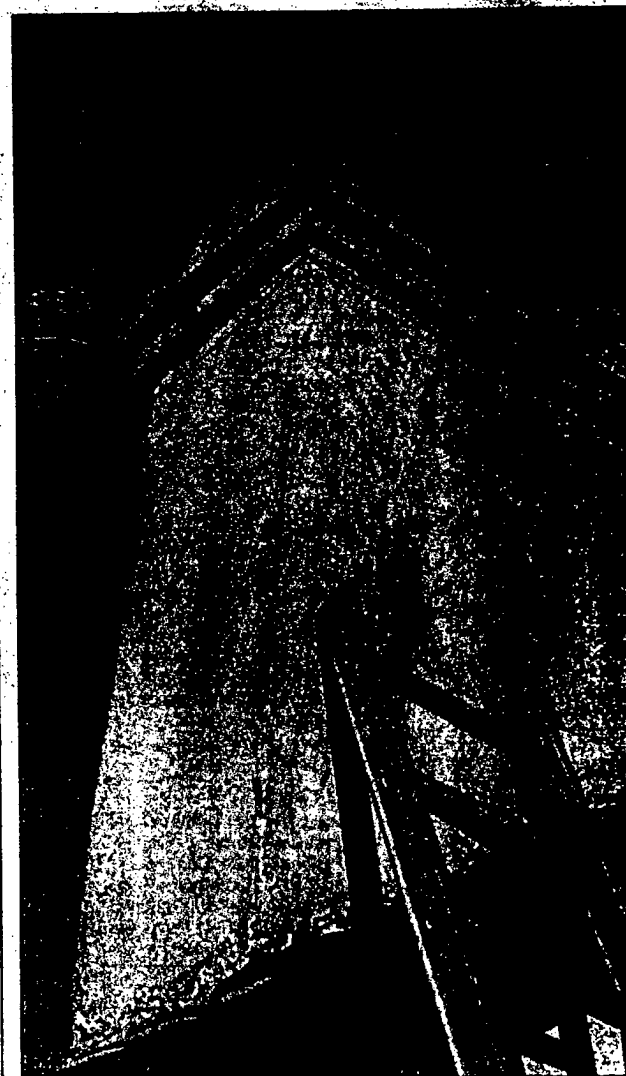
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Volume 7, Number 46, 7 Sections, 106 Pages



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Wearing traditional top hats, Artful Dusters David Lythe and

TOSHIBA

From page A1

after the scheme was discovered by U.S. officials.

The purported 1979, 1986 and 1987 incidents have become widely known in Congress as "Toshiba 2, 3 and 4" respectively — Toshiba 1 being the propeller-machine scandal.

Pentagon officials, led by Stephen Bryen, deputy undersecretary for trade security, claim the charges are groundless, sources said.

Mr. Bryen declined to be interviewed for this article, but a senior Pentagon official said yesterday: "From our standpoint, we feel that the actions [Toshiba 2, 3 and 4] have not occurred, and we stand by that."

Toshiba has hired a virtual army of Washington's best-known power brokers to repeat Mr. Bryen's denials in meetings with concerned congressmen.

They include: Former Democratic Reps. Michael Barnes and Jim Jones; Roderick M. Hills, former chairman of the Securities and Exchange Commission; William D. Eberle, former U.S. trade representative; Nixon administration lawyer Leonard Garment; Andrew E. Manatos, former assistant secretary of commerce in the Carter administration; former Nixon aides Anderson and Richard J. Whalen; and John Mica, brother of Rep. Dan Mica, Florida Democrat.

They say:

- Toshiba 2 was a legal sale.
- Toshiba 3 never happened.
- Toshiba 4 was legal but was voluntarily halted by the company as a public relations move following the machine-tool scandal.

Within the next two weeks, a group of 27 lawmakers, seven from the Senate and 20 from the House, will decide the fate of legislation that, if passed, would ban Toshiba sales in the United States for two to five years.

In many cases, their decisions will largely be influenced by whether they believe Mr. Bryen and Toshiba or a handful of career intelligence analysts who thus far have put their jobs on the line to stand by their conclusions on Toshiba 2, 3 and 4.

Relations between the United States and Japan likewise are at stake, as are efforts by the Reagan administration and the U.S. allies to strengthen laws banning exports of military technology to the Soviet bloc.

The issues are being muddled by charges of Japan-bashing and racism, and countercharges that Toshiba is manufacturing back-dated documents to refute the allegations.

The House bill lacks sanctions against Toshiba that were approved 92-5 by the Senate in June. The joint panel must reconcile the two pieces of legislation before a final vote by the full House and Senate.

After the Senate sanctions were adopted, Toshiba launched a major effort to defeat the measure, in part by cleaning up its tarnished image.

Two months after the Senate vote, the Reagan administration took note of the Japanese response and announced it would oppose the sanctions against Toshiba.

That announcement, by then-Defense Secretary Caspar Weinberger at a late July press conference in Japan, represented a major victory for Toshiba and the Japanese government.

But behind the scenes, the State Department had begun to grapple with the new allegations regarding Toshiba 2, 3 and 4.

In mid-August, Mike Mansfield, the U.S. ambassador to Japan, called on then-Prime Minister Yasuhiro Nakasone in Tokyo, shared the intelligence information and demanded that the Toshiba 4 deal, which was then being negotiated, be stopped.

Simultaneously, Deputy Secretary of State John Whitehead called Japan's ambassador to the United States and delivered the same message.

The battle then took on a whole new dimension on Capitol Hill.

Rep. Duncan Hunter, California Republican, began arranging a series of briefings for other members of Congress on Toshiba 2, 3 and 4.

The briefings typically involved Guy DuBois, a senior CIA analyst, who heads the agency's technology-transfer division. Mr. DuBois wrote the CIA report on Toshiba 2, 3 and 4.

Since then, Mr. DuBois, as well as his counterparts at DIA, have come under intense pressure to recant their conclusions or risk losing their jobs.

Mr. DuBois is slated to testify at a closed-door session of the House Armed Services Committee Tuesday.

Many lawmakers wonder if Mr. DuBois will stand his ground or recant.

"Please run the story," one congressman told The Washington Times. "At least by getting the thing out in the open, it will give these Civil Service guys some job protection."

One Toshiba attorney, David Houlihan, said the allegations against Toshiba Corp. were created by a group of CIA analysts with a "vendetta" against Toshiba and Japan.

living room, or a dog stands at the fireplace and barks," Mr. Barber said.

Then there are the miscellaneous exotica — like beer cans. David Lythe, a former plumber who founded Artful Dusters in Takoma Park 10 years ago, recalled a customer who called to say she couldn't get her fireplace damper open.

When Mr. Lythe arrived and worked the damper loose, two dozen empty Budweiser cans came tumbling out. The woman remembered she had hired a crew to repair her roof during the dog days of the previous summer.

While chimney money, there are ards. A sweep once forgot he v and walked off 1 Mr. Lythe said. 1

Sweeping a c stove pipe is a tr dangerous job tience and con chimneys are cl side, which mea could leave the with a layer of so

CONTRA

From page A1

tity to sustain the Nicaraguan freedom fighters. If not, the prospects for peace and democracy inside Nicaragua will diminish quickly."

With the bill's defeat, the rebels battling Nicaragua's Marxist Sandinista regime are left without any U.S. aid and little prospect for any more in the near future.

"This puts us in a very, very dangerous situation," resistance Director Adolfo Calero said in a telephone interview from Miami.

Marta Sacasa, national spokeswoman for the resistance, said the vote weakens the rebels' negotiating position vis-a-vis the Sandinistas. She said a troop pullback by the rebels is a "possibility" if new aid is not passed.

Mr. Calero said, "The president now has the opportunity to exercise some leadership and put forward a whole new and adequate proposal

for aid to the re U.S. assistance out Tuesday. I ceived three stallments of n since September lion package th ran out.

Any further will be consid time-consuming cedures — prob propriations pr expedited proc said.

The bill's defe sage. Minutes House voted 21 Democratic bill \$36 million GOI fect rejecting t

But some lav against the G against the Den

"I thought w the moderate D a big disappoint Barney Frank liberal Democr

AFGHAN

From page A1

that verification of the observance of Geneva agreements implies control not only over Soviet troop withdrawal, but also over the discontinuation and non-resumption of outside interference. As for the return of refugees, since the U.N. high commissioner for refugees takes part in the Geneva talks, he'll naturally participate in providing refugees with humanitarian aid and in facilitating their homecoming."

Attempts to link the question of withdrawal with an interim government were described by the Soviet spokesman as "aimed at obstructing a political settlement of this conflict in Asia despite the requirements of the current political situation and the new mode of thinking."

Mr. Mikhailov government is more than hal posts in a coal the opposition, the position of c cil of ministers.

"An interim rather vague s circumstances," "As for a coalit formation is en gram of natic President Najil this in no uncer posed concrete half of minister position. The Kabul are rea question of the of the council o

But Pakistan that major co ahead before th talks" under. 1

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~~C O N F I D E N T I A L~~ PARIS

PAGE 1

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ZCZC 10:15:46Z (MI)

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1 CONFIDENTIAL

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INFO RUFHOS/AMEMBASSY OSLO 0556
RUFHOL/AMEMBASSY BONN 5875
RUFHRO/AMEMBASSY ROME 0988
BT

EZ1:

~~C O N F I D E N T I A L~~ PARIS 02884

EZ2:

C O R R E C T E D C O P Y (TEXT)
ORIGINALLY PROCESSED AS CDS #7608729
E.O. 12356: DECL:OADR

TAGS: ETTC, COCOM, KSTC, FR, EUR

SUBJECT: EXPORT CONTROL ISSUES - VISIT OF -

<> STAFFDEL <><>TRIPLETT<><>

REF: 87 PARIS 54877, 87 PARIS 48460, 87 STATE 375510,

- 87 STATE 325266

1. (C) ENTIRE TEXT.

2. SUMMARY. JANUARY 7 DISCUSSIONS BETWEEN MINISTRY OF
FOREIGN AFFAIRS OFFICIALS AND SENATE FOREIGN RELATIONS

<> STAFF MEMBER WILLIAM <><>TRIPLETT<><> FOCUSED ON THE NORWEGIAN
POLICE REPORT. DENIS BAUCHARD DAS-LEVEL OFFICIAL
RESPONSIBLE FOR EXPORT CONTROL ISSUES SAID THAT THE GOF WAS
IN THE FINAL STAGES OF THEIR INVESTIGATION INTO THE
ALLEGATIONS CONTAINED IN THE NORWEGIAN REPORT REGARDING
ILLEGAL FRENCH MACHINE TOOL SALES TO THE SOVIET UNION IN
1984-85. THE GOF HAS FOUND NO EVIDENCE TO DATE THAT
FOREST-LINE MADE ANY ILLEGAL MACHINE TOOL EXPORTS IN THAT
PERIOD. (EMBASSY COMMENT. THIS IS THE SAME CONCLUSION THE
FRENCH HAVE COME TO EACH TIME THEY HAVE INVESTIGATED

~~C O N F I D E N T I A L~~ PARIS

C O N F I D E N T I A L P A R I S

PAGE 2

- FOREST-LINE MACHINE-TOOL SALES TO THE USSR, THE LAST TIME PRIOR TO NOW BEING SEPTEMBER-OCTOBER 1987. END COMMENT)
- BAUCHARD ALSO STRESSED THAT THE GOF HAS COOPERATED FULLY WITH THE NORWEGIAN INVESTIGATION. REGARDING THE RICHARDT CASE, BAUCHARD SAID THAT THE FRENCH ARE EXPLORING WHETHER TO PROSECUTE UNDER THE CUSTOMS OR PENAL CODES, NOTING THAT A PROSECUTION UNDER THE PENAL CODE WOULD CARRY MUCH
- <> STRONGER SANCTIONS. <><>TRIPLETT<><>'S MEETING AT THE MFA WAS VERY CORDIAL AND OPEN. HE APPEARED TO BE PLEASED WITH THE RESPONSES AND CLARIFICATIONS HE RECEIVED FROM THE FRENCH.
- <> BAUCHARD MADE ARRANGEMENTS TO MEET WITH <><>TRIPLETT<><> DURING HIS VISIT TO WASHINGTON THE FOLLOWING WEEK. END SUMMARY.
3. ON JANUARY 7, SENATE FOREIGN RELATIONS COMMITTEE (SFRC)
- <> STAFF MEMBER, WILLIAM <><>TRIPLETT<><> MET WITH DENIS BAUCHARD AND OTHER OFFICIALS AT THE MINISTRY OF FOREIGN AFFAIRS
- <> RESPONSIBLE FOR EXPORT CONTROL ISSUES. <><>TRIPLETT<><> EXPLAINED THAT THE PURPOSE OF HIS VISIT TO FRANCE, NORWAY, GERMANY AND ITALY WAS TO FOLLOW-UP ON THE NORWEGIAN POLICE REPORT WHICH OUTLINED THE KONGSBERG EXPORT CONTROL VIOLATIONS. HE SAID PLANNED TO WRITE A REPORT FOR THE SFRC WHICH WOULD INCLUDE RECOMMENDATIONS TO THE SENATE ON EXPORT CONTROL RELATED LEGISLATION.
- <> 4. <><>TRIPLETT<><> SAID THAT HE HAD JUST COME FROM OSLO WHERE HE HAD SPENT SOME TIME WITH THE NORWEGIAN PROSECUTORS. THEY HAD INFORMED HIM THAT THEY WERE HAVING PROBLEMS GETTING INFORMATION FROM OTHER COUNTRIES ON THE LAST 10 KONGSBERG EXPORTS TO THE USSR. IN THE CASE OF FRANCE, THIS WOULD RELATE TO THE FOREST-LINE MACHINE TOOLS SHIPPED TO THE USSR DURING THE PERIOD 1984-85 TO WHICH THE KONGSBERG NUMERICAL COMMAND CONTROLS WERE ATTACHED. INFORMATION FROM THE GOF DETAILING SUCH THINGS AS THE SPECIFICATIONS OF THE MACHINES AND WHERE THEY WERE SHIPPED TO, WOULD BE NECESSARY TO BRING CASES TO PROSECUTION. FURTHERMORE, THE STATUTE OF LIMITATIONS ON THESE LATER VIOLATIONS WOULD RUN OUT IN SEPTEMBER, SO NORWEGIAN OFFICIALS HAD TO ACT QUICKLY.
- <> <><>TRIPLETT<><> SAID THAT HE HAD RECEIVED THE IMPRESSION FROM HIS DISCUSSIONS WITH THE NORWEGIANS THAT THEY WERE NOT GETTING FULL AND TIMELY COOPERATION EITHER FROM FRANCE OR THE OTHER COUNTRIES INVOLVED. IN PARTICULAR, HE SAID THAT THE
- <> NORWEGIAN PROSECUTORS HAD TOLD <><>TRIPLETT<><> THAT THEY HAD GOTTEN NO RESPONSE FROM THEIR REQUESTS TO THE GOF TO INTERVIEW PERSONS CONNECTED WITH THE 1984-85 EXPORTS.
5. BAUCHARD SAID THAT THE FRENCH HAD BEEN FULLY COOPERATIVE WITH THE NORWEGIANS. HE SAID HE WAS SURPRISED
- <> BY <><>TRIPLETT<><>'S MESSAGE ABOUT THE INTERVIEWS BECAUSE THE GOF HAD NOT REPEAT NOT RECEIVED ANY REQUESTS FROM THE NORWEGIANS FOR INTERVIEWS. HE STRESSED THAT ALL THEIR COMMUNICATIONS FROM THE NORWEGIAN POLICE HAD ONLY ASKED FOR INFORMATION. TO PROVE HIS POINT, BAUCHARD PROCEEDED TO READ VERBATIM THE TWO WRITTEN REQUESTS RECEIVED BY THE GOF FROM THE NORWEGIAN AUTHORITIES. BAUCHARD SAID THAT THE FRENCH RESPONDED IN OCTOBER TO THE FIRST LETTER DATED

C O N F I D E N T I A L P A R I S

C O N F I D E N T I A L PARIS

PAGE 3

AUGUST 20. HE SAID THAT SINCE THE NORWEGIAN REQUEST CAME THROUGH INTERPOL CHANNELS IT TOOK QUITE SOME TIME FOR THE LETTER TO REACH THE MFA. THE SAME WAS TRUE FOR THE SECOND NORWEGIAN LETTER WHICH WAS SENT AT THE END OF NOVEMBER. THE FRENCH ARE IN THE PROCESS OF PREPARING A RESPONSE TO THE 2ND LETTER BUT ARE AWAITING INFORMATION FROM FOREST-LINE AND THE NORWEGIAN AUTHORITIES BEFORE THEY CAN COMPLETE THEIR INVESTIGATION AND MAKE A FULL RESPONSE. HOWEVER, BAUCHARD SAID THAT BASED ON THE INFORMATION THEY HAVE DEVELOPED SO FAR, THEIR PRELIMINARY CONCLUSION IS THAT NONE OF THE FOREST-LINE EXPORTS IN 1984-5 VIOLATED COCOM
END OF MESSAGE

CONFIDENTIAL

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~~C O N F I D E N T I A L~~ ROME

PAGE 4

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FM AMEMBASSY ROME

TO RUEHC/SECSTATE WASHDC PRIORITY 4526

INFO RUFHFR/AMEMBASSY PARIS 3752

RUEHKO/AMEMBASSY TOKYO 7811

RUFHOS/AMEMBASSY OSLO 3029

RUFHLD/AMEMBASSY LONDON 5433

RUFHOL/AMEMBASSY BONN 5758

BT

EZ1:

C O N F I D E N T I A L ROME 01760

EZ2:

<> DEPT PLEASE PASS SFRC/WILLIAM <><>TRIPLETT<><>
 PARIS PLEASE PASS SPM DELEGATION FOR AMB. WENDT
 E.O. 12356: DECL:OADR
 TAGS: ETTC, COCOM, KSCA, KSTC, IT
 SUBJ: EXPORT CONTROL: STATUTES OF LIMITATIONS
 REF: A) ROME 1047

1. CONFIDENTIAL ENTIRE TEXT

<> 2. IN RESPONSE TO SFRC <><>TRIPLETT<><>'S QUESTION
 REGARDING STATUTES OF LIMITATIONS FOR VIOLATIONS
 OF EXPORT CONTROL LAWS, ITALIAN EXPORT OFFICIALS
 PROVIDE THE FOLLOWING INFORMATION:
 ACCORDING TO ARTICLE 157 OF ITALY'S PENAL CODE,
 THE STATUTES OF LIMITATIONS ARE:
 A. TWENTY (20) YEARS IF THE LAW GOVERNING THE
 CRIME CALLS FOR A MINIMUM PRISON TERM OF 24 YEARS;
 B. FIFTEEN (15) YEARS IF THE LAW GOVERNING THE
 CRIME CALLS FOR A MINIMUM PRISON TERM OF 10 YEARS;
 C. TEN (10) YEARS IF THE LAW GOVERNING THE CRIME

~~C O N F I D E N T I A L~~ ROME

C O N F I D E N T I A L R O M E

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CALLS FOR A MINIMUM PRISON TERM OF 5 YEARS;
D. FIVE (5) YEARS IF THE LAW GOVERNING THE CRIME
CALLS FOR A MINIMUM PRISON TERM OF 5 YEARS OR
IMPOSES A FINE;
E. THREE (3) YEARS IF IT IS A CRIME PUNISHED
BY ANY PRISON TERM; AND
F. TWO (2) YEARS IF IT IS AN OFFENSE PUNISHED BY
A FINE.

-
3. EXPORT CONTROL VIOLATIONS CURRENTLY ARE
GOVERNED BY ARTICLES 1 AND 11 OF THE ROYAL LAW
DECREE NO. 1923, DATED NOVEMBER 14, 1926.
UNDER THAT LAW, IF GOODS SUBJECT TO LICENSING
ARE EXPORTED WITHOUT LICENSE, THE OFFENDERS MAY
BE INCARCERATED FOR A PERIOD RANGING FROM 15 DAYS
TO 3 MONTHS AS WELL AS BEING SUBJECT TO FINES AND
CONFISCATION OF THE PROPERTY ILLEGALLY EXPORTED.

-
4. THE SAME LAW PROVIDES FOR DETENTION, FINE AND
CONFISCATION OF GOODS OF ANYONE MAKING A FALSE
STATEMENT ABOUT THE CONTENTS OR TYPE OF EXPORTS,
EITHER AT CUSTOMS OR ON THE APPLICATION FOR THE
EXPORT LICENSE. IN ADDITION, AN ILLEGAL EXPORTER
MAY BE SUBJECT TO THE CHARGE OF SMUGGLING UNDER
ARTICLE 2 OF THE CONSOLIDATION ACT IF THE GOODS
ILLEGALLY EXPORTED ARE SUBJECT TO DUTIES AT THE
BORDER. UNDER THIS LAW, A FINE FROM TWO TO
TEN TIMES THE DUTIES OWED MAY BE IMPOSED.

-
5. THE PROPOSED ITALIAN LAW, APPROVED BY THE
COUNCIL OF MINISTERS AND PRESENTLY BEFORE THE
PARLIAMENT, IMPOSES PRISON TERMS FROM ONE TO
SIX YEARS AND FINES FROM 3 MILLION TO 300
MILLION LIRE FOR THOSE WHO, WITHOUT
AUTHORIZATION, EXPORT OR TRANSIT "MATERIALS
OF PARTICULAR STRATEGIC INTEREST." MATERIAL
IN THIS CATEGORY INCLUDES MACHINE TOOLS;
CHEMICAL AND PETROLEUM APPARATUSES; COMPOSITES
AND PARTICULAR METALS; AIR, MARINE, UNDERWATER,
SPACE AND RELATIVE EQUIPMENT; ELECTRONIC
APPARATUSES AND PRECISION INSTRUMENTS; MACHINES
AND APPARATUSES FOR PARTICULAR INDUSTRIAL USES;
CHEMICAL AND METALLIC PRODUCTS; SYNTHETIC
RUBBERS; AND NUCLEAR MATERIALS, PLANTS AND
EQUIPMENT. RABB

END OF MESSAGE

CONFIDENTIAL

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C O N F I D E N T I A L R O M E

~~SECRET~~ BONN

PAGE 6

MSGNO 496 (MIXX) *01/15/88* *17:20:18.7.7*

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SECRET

FRP: , , 3, , , , ,
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TOR: 152001Z JAN 88

NC 7506338
BONN 01446

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 ZNY SSSSS ZOC STATE ZZH
 STU3675
 RR RUEHC
 DE RUFHOL #1446/01 0151426
 ZNY SSSSS ZZH
 R 151426Z JAN 88
 FM AMEMBASSY BONN
 TO RUEHC/SECSTATE WASHDC 0112
 INFO RUFHFR/AMEMBASSY PARIS 5763
 RUFHRO/AMEMBASSY ROME 3879
 RUFHOS/AMEMBASSY OSLO 6879
 BT

EZ1:

SECRET BONN 01446

EZ2:

PARIS ALSO FOR USOECD, STC

E.O. 12356: DECL: OADR

TAGS: ETTC, COCOM, GE

<> SUBJECT: EXPORT CONTROL - STAFFDEL <><>TRIPLETT<><> IN BONN

REF: STATE 532

1. SECRET - ENTIRE TEXT.

2. SUMMARY: DURING TALKS WITH FRG OFFICIALS, SENATE

<> FOREIGN RELATIONS COMMITTEE STAFFER <><>TRIPLETT<><> EMPHASIZED

CURRENT CONGRESSIONAL CONCERN OVER THE TOSHIBA AFFAIR AND
 WARNED OF THE CONSEQUENCES IF A SIMILAR SCANDAL INVOLVING
 GERMANY WERE TO ARISE OVER EXPORTS OF GERMAN MACHINES WITH
 KONGSBERG CONTROLS. WHILE THE FOREIGN OFFICE WAS

<> RELATIVELY UNMOVED BY <><>TRIPLETT<><>'S PRESENTATION, THE
 ECONOMICS MINISTRY PROFESSED CONCERN OVER THE POTENTIAL
 SERIOUSNESS OF THE INVOLVEMENT OF GERMAN FIRMS IN THE
 KONGSBERG AFFAIR. THE ECONOMICS MINISTRY'S INTERNAL PAPER
 CHECK ON KONGSBERG TRANSACTIONS INVOLVING GERMAN FIRMS
 9TURNED UP NO IRREGULARITIES. BUT ECONOMICS MINISTRY
 OFFICIALS SEEMED CONCERNED AT THE POSSIBILITY OF IMPROPER
 CONDUCT BY GERMAN COMPANIES. END SUMMARY.

3. ON JANUARY 11 AND 12, SENIOR STAFF MEMBER OF THE

~~SECRET~~ BONN

S E C R E T BONN

PAGE 7

<> SENATE FOREIGN RELATIONS COMMITTEE WILLIAM C. <><>TRIPLETT<><> MET WITH THE FRG FOREIGN OFFICE (EXPORT CONTROL OFFICE DIRECTOR NAGEL AND STAFFER WARNKEN, REFERAT 424) AND ECONOMICS MINISTRY (WORKING LEVEL OFFICIALS DR. POTT AND HERR GEISEL, REFERAT VA8, EXPORT CONTROL/LICENSING) TO DISCUSS US CONCERNS OVER NORWEGIAN POLICE REPORT ALLEGATIONS OF THE INVOLVEMENT OF GERMAN FIRMS IN THE KONGSBERG AFFAIR. THE FOREIGN OFFICE MADE NO RESPONSE, DEFERRING TO THE ECONOMICS MINISTRY AS THE RESPONSIBLE AUTHORITY AND LICENSING AGENCY.

OFFICIAL FINDING: NO FAULT

- <> 4. IN HIS PRESENTATION, <><>TRIPLETT<><> TALKED OF CONGRESSIONAL CONCERN/ANGER OVER THE TOSHIBA AFFAIR AND WARNED THE GERMANS THAT THE WORST THING POSSIBLE THAT COULD HAPPEN WOULD BE FOR A SIMILAR SCANDAL TO TAKE PLACE CONCERNING THE GERMAN FIRMS ALLEGEDLY INVOLVED WITH KONGSBERG.
5. THE ECONOMICS MINISTRY OFFICIALS THEN PROCEEDED WITH A PRESENTATION OF THE NEGATIVE FINDINGS OF THEIR INVESTIGATION INTO THE BUSINESS TRANSACTIONS NAMED IN THE NORWEGIAN POLICE REPORT INVOLVING THE GERMAN FIRMS SCHIESS, DORIES, AND DONAUWERKE.
6. POTT STATED THAT A GERMAN INVESTIGATION HAD BEEN STARTED AS SOON AS THEY HAD LEARNED OF THE KONGSBERG AFFAIR, AND THAT A CAREFUL CHECK OF THE RECORDS IN THE FEDERAL LICENSING AGENCY (BAW IN FRANKFURT) SHOWED THAT THERE WAS "NO EVIDENCE FROM THE CUSTOMS OFFICE OF EXPORTS WITHOUT 'NEGATIVE CERTIFICATIONS' (NO OBJECTION TO EXPORT)". THUS, ACCORDING TO POTT, APPROPRIATE OFFICIAL CERTIFICATIONS FOR THE RE-EXPORT OF THE KONGSBERG CONTROLLERS ON GERMAN MACHINE TOOLS HAD BEEN ISSUED IN ACCORDANCE WITH GERMAN LAW AT THAT TIME.
7. GEISEL EXPLAINED THAT A SLIGHTLY DIFFERENT INTERPRETATION OF COCOM REGULATIONS HAD EXISTED PRIOR TO MAY 12, 1986 CONCERNING MACHINE TOOLS AND CONTROLLERS. PRIOR TO THAT DATE, CERTAIN MACHINE TOOLS EVEN IN EXCESS OF COCOM MINIMUM SPECIFICATIONS WERE CONSIDERED LICENSABLE IF THE CONTROLLERS ON THE MACHINES WERE WITHIN COCOM SPECIFICATIONS. THIS ACCOUNTED FOR SEVERAL OF THE UNITS NAMED IN THE NORWEGIAN POLICE REPORT.
8. POTT WENT ON TO SAY THAT THERE WERE TWO AREAS STILL UNCLEAR IN THE FRG INVESTIGATION THUS FAR: (1) THE POSSIBILITY OF FRAUDULENT DOCUMENTS PRESENTED BY THE FIRMS, AND (2) THE POSSIBILITY OF GOVERNMENT ERROR IN APPLYING COCOM REGULATIONS. ON THE FIRST POINT, POTT NOTED THAT IT WAS POSSIBLE THAT THE GERMAN FIRMS HAD SUBMITTED FRAUDULENT KONGSBERG DOCUMENTS FOR APPROVAL, OR THAT THE GERMAN FIRMS HAD LIED TO THE LICENSING OFFICE (BAW). ON THE SECOND POINT, POTT EXPLAINED THE ABOVE DIFFERENCE (PARA 7) IN INTERPRETATION OF COCOM REGULATIONS, EMPHASIZING THAT THIS HAD NOW CHANGED.

S E C R E T BONN

S E C R E T BONN

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FURTHER FRG INVESTIGATION?
S E C R E T SECTION 02 OF 02 BONN 01446
PARIS ALSO FOR USOECD, STC
E.O. 12356: DECL: OADR
TAGS: ETTC, COCOM, GE
<> SUBJECT: EXPORT CONTROL - STAFFDEL <><>TRIPLETT<><> IN BONN

9. NEAR THE BEGINNING OF THE TALKS, POTT STATED THAT EVEN IF THE NORWEGIAN ALLEGATIONS WERE TRUE, THE GERMAN INVOLVEMENT DID NOT CONSTITUTE "ANOTHER TOSHIBA". HE EMPHASIZED THAT IT IS NOW IMPORTANT TO PREVENT RECURRENCES OF THIS TYPE OF ACTIVITY. HE NOTED THAT THE FOREIGN OFFICE HAD JUST TURNED OVER TO THE ECONOMICS MINISTRY AN INVITATION FROM THE NORWEGIAN POLICE TO COOPERATE IN LOOKING INTO THE FILES ON THE INVOLVEMENT OF GERMAN FIRMS; THE ECONOMICS MINISTRY HAS ACCEPTED, AND WILL BE SENDING A TEAM OF BAW OFFICIALS.
10. BY THE END OF THE TALKS, AND AFTER REPEATED WARNINGS
<> BY <><>TRIPLETT<><> OF THE POTENTIAL SERIOUSNESS OF THE KONGSBERG AFFAIR AS SEEN IN THE CONGRESS, THE ECONOMICS MINISTRY OFFICIALS SEEMED CONVINCED THAT SOMETHING MORE MUST BE DONE, POSSIBLY EVEN A "CRIMINAL INVESTIGATION" TO FORCE THE COMPANIES INVOLVED TO RESPOND TO THE ALLEGATIONS IN THE NORWEGIAN POLICE REPORT. POTT STATED THAT IT WAS PERHAPS TIME TO "STOP DEALING WITH THE FIRMS FROM A GENTLEMAN'S POSITION", AND THAT IT WOULD ALSO BE NECESSARY TO LOOK INTO THE END-USERS. POTT STATED THAT HE WOULD DO EVERYTHING HE COULD TO COMMUNICATE THIS TO HIS SUPERIORS IN THE ECONOMICS MINISTRY.

BURT

END OF MESSAGE

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S E C R E T BONN

~~C O N F I D E N T I A L~~

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MSGNO 39 (MIXX) *01/08/88* *19:18:08.0.9*
 ZCZC 00:09:03Z (MI)
 /50/

CONFIDENTIAL

FRP: , , , , , 6 , ,
STATE

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88 7425021 SCR

TOR: 081512Z JAN 88

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BONN 00611

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DE RUFHOL #0611 0081508

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O 081507Z JAN 88

FM AMEMBASSY BONN

TO RUFHFR/AMEMBASSY PARIS IMMEDIATE 5700

INFO RUEHC/SECSTATE WASHDC 4599

RUFHOS/AMEMBASSY OSLO 6856

RUFHRO/AMEMBASSY ROME 3837

BT

EZ1:

C O N F I D E N T I A L

EZ2:

LIMITED OFFICIAL USE BONN 00611

E.O. 12356: N/A

TAGS: COCOM, GE

<> SUBJECT: STAFFDEL <><>TRIPLETT<><>: BONN SCHEDULE
 REFS: A) STATE 532; B) BONN 209

1. BONN SCHEDULE FOR SENATE FOREIGN RELATIONS

<> COMMITTEE SENIOR STAFF MEMBER WILLIAM C. <><>TRIPLETT<><> IS AS
 FOLLOWS:

SUNDAY, JANUARY 10

7:25 P.M.: ARR. COLOGNE-BONN AIRPORT VIA AF 750.

APPROXIMATE TAXI FARE TO HOTEL DM 65.

RESERVATIONS HAVE BEEN MADE AT THE HOTEL DREESEN, 45-49

RHEINSTRASSE, 5300 BONN 2, TEL: (0228) 82020, FOR A

SINGLE WITH BATH (DM 115) FOR THE NIGHTS OF JANUARY 10
AND 11.

MONDAY, JANUARY 11

A.M.: U.S. EMBASSY CONSULTATIONS

2:00 P.M. MEETING AT FOREIGN OFFICE WITH EXPORT

CONTROL OFFICE: MSSRS. NAGEL AND SCHLEGEL

TUESDAY, JANUARY 12

2:30 P.M.: MEETING WITH HERR POTT IN MINISTRY OF
ECONOMICS~~C O N F I D E N T I A L~~

C O N F I D E N T I A L

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6:05 P.M.: DEPART COLOGNE-BONN AIRPORT VIA LH 984.
2. CONTROL OFFICER FOR THE VISIT IS ECONOFF STAN OTTO,
WHO MAY BE REACHED AT EMBASSY EXTENSION (0228)
339-2206, OR AFTER WORKING HOURS THROUGH THE EMBASSY
SWITCHBOARD, (0228) 339-1.

BURT

END OF MESSAGE

CONFIDENTIAL

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C O N F I D E N T I A L

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MSGNO 98 (MIXX) *01/05/88* *23:22:42.1.9*
ZCZC 04:13:40Z (MI)

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CONFIDENTIAL

FRP: , , , , 6, ,
STATE

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88 7392845 SCO

TOR: 060338Z JAN 88

NC 7392845
STATE 002627

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 ZNY CCCCC ZOC STATE ZZH
 OO RUEHC RUFHFR RUFHOL RUFHRO RUFHOS
 DE RUEHC #2627 0060246
 ZNY CCCCC ZZH
 O 060244Z JAN 88
 FM SECSTATE WASHDC
 TO RUFHFR/AMEMBASSY PARIS IMMEDIATE 2928
 RUFHOL/AMEMBASSY BONN IMMEDIATE 2135
 RUFHRO/AMEMBASSY ROME IMMEDIATE 0454
 INFO RUFHOS/AMEMBASSY OSLO IMMEDIATE 1278
 BT

EZ1:

C O N F I D E N T I A L

EZ2:

LIMITED OFFICIAL USE STATE 002627
 PARIS ALSO FOR USOECD, STC
 E.O. 12356: N/A

TAGS: COCOM

- <> SUBJECT: EXPORT CONTROL - STAFFDEL <><>TRIPLETT<><>
 REFS: STATE 532 AND PREVIOUS
 1. DUE TO HOLIDAY PERIOD, DEPARTMENT OFFICES CONCERNED
 WITH SUBJECT MATTER OF STAFFDEL'S TRIP DID NOT HAVE
 <> OPPORTUNITY TO BRIEF OR CONSULT WITH MR. <><>TRIPLETT<><> PRIOR
 TO HIS DEPARTURE FROM WASHINGTON.
 2. WHILE POSTS WILL WISH TO ACCOMMODATE STAFFDEL'S
 REQUESTS AS FAR AS POSSIBLE, HE SHOULD BE AWARE SEVERAL
 OF HIS INTENDED CONTACTS MAY BE RELUCTANT TO DISCUSS WITH
 HIM THE MORE SENSITIVE ASPECTS OF THE TOSHIBA/
 KONGSBERG-RELATED INVESTIGATIONS OR OF THE WORKINGS OF
 COCOM.
 <> 3. DEPARTMENT WOULD BE PLEASED TO MEET WITH <><>TRIPLETT<><>
 <> UPON HIS RETURN. PLEASE ASK <><>TRIPLETT<><> TO CONTACT THE
 OFFICE OF STRATEGIC TECHNOLOGY POLICY, TELEPHONE 647-0094
 AT HIS CONVENIENCE. SHULTZ
 END OF MESSAGE

CONFIDENTIAL

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